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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 006627

SIPDIS

E.O. 12958: DECL: 11/23/2015

TAGS: ECON EAIR ECONOMY AND FINANCE
SUBJECT: GOI TOURISM OVERVIEW AND PROJECT INITIATIVES

REF: TEL AVIV 05124

Classified By: Economic Counselor William Weinstein for reasons 1.4 (b) and (d).

11. (C) SUMMARY: Ministry of Tourism (MoT) Marketing Director Levi told econoff that 1.7 million tourists have visited Israel this year, and brought three billion dollars to the Israeli economy. He stressed that although  ${\tt U.S.}$  travel warnings for Israel have been eased, the warnings have hurt the Israeli tourism sector. Levi also stressed that the MoT is looking at capitalizing on key areas in Eilat to build casinos and in the Galilee to set-up a religious retreat. said direct flights by Delta Airlines from Atlanta to Tel Aviv, scheduled to start in February 2006, will help boost the economy and bring many tourists to Jerusalem and other sites. MoT Foreign Press Liaison Pulik said that the ministry is also focusing on creating tourism sites in Druze and Bedouin villages and towns and that ten million shekels has been earmarked for them. Pulik also touched on regional tourism engagement between Israel, Egypt, Jordan and the Palestinian Authority. END SUMMARY.

Tourism: January to November 2005

- (C) On November 22, econoff met with Ramee Levi, Director of Marketing for the Ministry of Tourism. Levi told econoff that 1.7 million tourists have visited Israel this year and that he expects this figure to reach 2 million by the end of December. He said 500,000 tourists came from the U.S., adding that tourists from France, Germany, and the U.K. totaled 590,000. Note: On November 16, the ministry issued a press release claiming that 1,589,700 tourists have visited Israel from January to October 2005, a 27 percent increase over the same period in 2004. End Note.
- 13. (C) Levi claimed that more than 90 percent of tourists go to Jerusalem and the Galilee to visit holy sites. He indicated that Eilat is another favorite destination for Europeans seeking to escape the winter season, noting that the increase in tourism has shored-up the tourism sector, created jobs, and given the Israeli economy a boost. said that travel warnings issued by the U.S. in previous years hurt Israel's tourism sector, but that the situation had improved since the easing of the warnings in mid-2004. Levi noted that the warnings were issued despite the fact that the security apparatus in Israel is very vigilant and active to ensure tourists' safety.
- 14. (C) He said that there are other tourism projects in the planning stage such as a casino strip in Eilat, an evangelical center in Galilee, and several pilot projects for the Druze and Bedouin. He added the ministry is also working to help Bedouin entrepreneurs start tourism projects in the Negev, which will create jobs and generate revenue for their community and the Negev in general
- (C) Levi commented the budget of the ministry is 20 million dollars and that it is using all of its resources and assets to ensure that it maintains the momentum of bringing tourists to Israel. He claimed that tourists have so far spent three billion dollars in 2005 and that this amount should increase in 2006, when 2.7 million tourists are expected to visit. He remarked that Delta Airlines will start direct flights from Atlanta to Tel Aviv in February 2006 and that this should bring another 100,000 tourists to the country (Reftel).

Bedouin Tourism and Regional Cooperation

16. (C) Econoff met with Jonathan Pulik, head of Foreign Press Pulik told econoff that Liaison in the Ministry of Tourism. the ministry has many tourism objectives which are designed to help the Israeli economy, especially minority groups such as the Bedouin. He claimed that 10 million shekels (USD 2.2 million) has been set aside by the ministry in order to work with different groups in the Bedouin community to develop tourism and improve the dismal employment conditions in the Negev.

JONES